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Goodwin Procter LLP Attn: Patent Administrator 135 Commonwealth Drive Menlo Park, CA 94025-1105			EXAMINER GARTLAND, SCOTT D	
			ART UNIT	PAPER NUMBER
			3622	
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			06/18/2009	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/668,689

**Applicant(s)**

PEARSON, MARK

**Examiner**

SCOTT D. GARTLAND

**Art Unit**

3622

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 16 March 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1, 6, 7, 9-11, 13, 14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83 and 88 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 6-7, 9-11, 13-14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83, and 88 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-848)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Status***

1. This Final Office Action is in response to the communication filed on March 16, 2009. Claims 2-5, 8, 12, 15-17, 19-24, 26, 28-29, 37-38, 42-69, 76-77, 84-87, and 89-97 have been cancelled, claims 1, 6-7, 9-10, 13-14, 18, 25, 27, 40-41, 70, 72, 74, 81-83, and 88 have been amended, and no claims have been added. Therefore, claim 1, 6-7, 9-11, 13-14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83, and 88 are pending and presented for examination.

### ***Response to Amendment***

2. Summary of the Response to Applicant's Amendment:
  - The provisional double patenting rejection is maintained since no Terminal Disclaimer has been filed.
  - Applicant's amendments overcome the earlier claim objections; therefore the Examiner withdraws the objections.
  - Applicant's amendments overcome the earlier rejections under 35 USC § 112, second paragraph, except as regarding claim 83; therefore the Examiner withdraws the rejections, and notes, regarding claim 83, that the interpretation will stand.
  - The Examiner notes Applicant's amendment, especially to claim 1 and the related change in claim scope.

- The Examiner notes that amended claim 13 is directed to a non-elected claim group, and therefore withdraws the claim as belonging to that non-elected group.
- The Examiner is not persuaded by Applicant's arguments; therefore the Examiner maintains the rejections as below, noting that the change in claim scope indicates new grounds of rejection for certain elements.
- The Examiner notes several amendments that could be interpreted as requiring restriction by original presentation; however, the Examiner understands the onerous nature of such an action and therefore follows an interpretation that allows examination of the claims, as much as possible, in an effort to further prosecution.

### ***Election/Restrictions***

3. Newly amended claim 13 is directed to an invention that is independent or distinct from the invention originally claimed and elected for the following reasons: the limitations are directed solely to the non-elected claim Group II from the restriction issued August 5, 2008, where Applicant responded by electing Group I. The Examiner notes that the basis of the restriction issued August 5, 2008 was the distinction between being limited to purchasing health insurance as opposed to shopping and remote ordering, such as for health related products and services that are not limited to health insurance.

Accordingly, claim 13 is withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

***Double Patenting***

4. The provisional rejection on the ground of nonstatutory obviousness-type double patenting over copending Application Nos. 10/931,792, 11/045,797, and 11/262,292 is maintained since no Terminal Disclaimer has been filed.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. **Claims 1, 14, and 18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 1 recites being directed to a method of brokering health care insurance plans that have associated tax free award points; however, the Examiner notes that brokering or selling specific to health care insurance plans is the basis for the restriction issued August 5, 2008, and which Applicant responded to by electing Group I and this current phrasing indicates inclusion in non-elected Group II. Furthermore, although this preamble recites health care insurance plans (from Group II), the claim elements recite products or services as included in elected Group I. Therefore the Examiner is uncertain if Applicant is trying to claim the non-elected Group II. For examination purposes, the Examiner will interpret this to mean

the selling of health related products or services, since to interpret this as limited to brokering of plans would require restriction by original presentation, election of the prior grouping, and result in no claims being presented for examination. Appropriate correction is required.

Claim 1 also recites "granting" tax free award points (third element, first word); however, the Examiner understands that granting points is quite distinct from recording points as claimed earlier, such that granting points encompasses the management of the points system and the associated systems and procedures associated with that management, whereas recording the points only encompasses the knowing, recording, storing, or acknowledging the points of the member. The distinction is well illustrated by a grocery store that records and redeems points for grocery purchases through a third party system such as Green Stamps, where the Green Stamps system performs the enrollment, management, and accounting of the rewards program. As such, granting award points is restrictable by original presentation from the previously claimed recording of award points, and the Examiner understands that such a restriction in the instant case would leave no claims as presented for examination. Therefore, the Examiner is uncertain if Applicant is claiming the distinct invention associated with "granting" award points, or if Applicant is intending to claim "recording" points of the awards system. For examination purposes, the Examiner will interpret this to mean recording since to

consider the system as granting points would require restriction and leave no claims presented for examination.

Claim 1 further recites points that are not convertible to cash or a cash equivalent (third element, item b); however, claim 1 also recites utilizing the points for a purchase. The Examiner understands that converting points to a cash equivalent includes 1) purchasing by using points, 2) off-setting or discounting a purchase price by using points, and 3) using points in lieu of cash, such as by transferring a value to another user, a credit or debit card, or a monetary account. As such, the Examiner understands the non-convertible points are converted to cash equivalent. Therefore the Examiner is uncertain if the points are convertible to a cash equivalent or not. For examination purposes, the Examiner will interpret this to mean that the points are convertible. Please also see the note regarding non-functional descriptive material in the prior art rejection below.

Claims 14 and 18 recite the limitation "the health care plan" in line 2. There is insufficient antecedent basis for this limitation in the claim. The amended preamble mention of a health care plan due to the above analysis regarding this reference to non-elected Group II and that recognition of this limitation would require restriction by original presentation; therefore there is no limitation of a health care plan in claim 1 from which both claims 14 and 18 depend. Appropriate correction is required.

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

- 6. Claim 1 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.**

Claim 1 recites "tax free award points" at the third element, but Applicant's description does not include this limitation – the only reference to "tax free" in the description is in relation to the money used for purchasing a health care plan, and then only as partially funded by tax free dollars; whereas the claim relates to wholly tax free points. As such, tax free award points are not supported by Applicant's specification. Appropriate correction is required.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States



only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. **Claims 1, 6, 9-11, 27, 30, 32, and 39-40 are rejected under 35 U.S.C. 102(e) as being anticipated by Paasche et al. (U.S. Patent No. 7,359, 871, hereafter Paasche).**

Please note that, as a convenience to applicant, the Examiner has pointed out, by **bolding**, optional or intended use language, and included a note as to the ramifications of such language below.

Claim 1: Paasche discloses a method of brokering health care insurance plans that have associated tax free award points (the Examiner notes the rejection and interpretation according the rejection under 35 USC § 112, second paragraph, above) comprising:

providing a service provider system with a web server (column:line 2:43-47; citation hereafter by number only) that has a database (2:60-63; also 40:2-9), the service provider system having members that purchase health related products and services through the service provider system (58:5-13);

enrolling applicants in the service provider system as members (2:23-36);

granting tax free award points to members, the tax free award points requiring characteristics of (a) being transferable by the member (33:56-57 and 67:56-58, where the Examiner notes that who the points transfer to does not alter the method

being performed) to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible [sic] to at least one of cash and a cash equivalent and (c) having a limited life (the Examiner notes that whether the points are tax free or have a particular status as transferable, convertible, or life-limited is nonfunctional descriptive material – describing the type of points awarded, but not altering the method being claimed; therefore little or no patentable weight can be given; see the note below for further explanation), the tax free award points being granted for point generating purchases made by a member through the service provider system that are, (i) made by the member itself through the service provider system, (ii) made by a first group of members who were referred to the service provider system by the member, and (iii) made by a second group of members who were referred to the service provider system by members in the first group of members (2:63-3:16, 31:36-40, 31:46-32:11, 33:41-57, Fig. 3);

aggregating purchasing power of members through point generating purchases through the service provider system (the Examiner notes that aggregating purchasing power is nonfunctional descriptive material – the aggregation is a result that either happens or not, but is not a step that is performed within the performance of the method; aggregation would not be performed by one performing the method claimed; therefore no patentable weight can be granted);

assigning a member identifier to each member and recording the member identifier in a computer memory (49:56-50:1; also 41:65-42:1);

receiving at the service provider system, from a member purchasing an award generating product or service, a request message that contains a requested product or service item identifier and a member identifier (32:27-31 and 10:30-37); and  
transmitting by the service provider system to a supplier of the requested product or service, a request for the product or service (23:44-53 and 52:24-34); and  
utilizing at least a portion of the tax free award points awarded to the member for purchase of the requested product or service (24:48-67).

Claim 6: Paasche discloses the method of claim 1, wherein when the member purchasing the product is part of the first group of members, then the request message includes the member identifier of the member (32:27-31 and 10:30-37).

Claim 9: Paasche discloses the method of claim 1, wherein the tax free award points are awarded at least in part based on a selling price of the purchased product or service (34:57-60; see also 31:8-9).

Claim 10: Paasche discloses the method of claim 1, wherein the tax free award points are awarded electronically and stored in a database **for use for** subsequent point generating purchases (2:63-3:16).

Claim 11: Paasche discloses the method of claim 1, further comprising:  
transmitting a business agreement which specifies the terms **for** referring customers

to the service provider system (2:23-27, and 27:2-3, 28:19-20, 29:63-64, 30:19-20; the Examiner understands registration is a business agreement and the registration level dictates referral capability - Clients and Members are not permitted to refer or sponsor, Members Plus and an Independent Business Owner (IBO) are permitted to refer or sponsor).

Claim 13: (withdrawn, see Election/Restriction section above).

Claim 27: Paasche discloses the method of claim 1, wherein the award generating products are selected from vitamins or nutritional supplements (58:6-29), energy/protein bars (Fig. 13c, item 1303a), health food products (58:14-17, 58:53-55, Fig. 13c, natural foods), weight loss products (58:14-17 and 58:58-61), non-prescription drugs, prescription drugs, contact lenses and associated supplies (65:24-25), dermatology/skin care products (59:4-12), oral care products, fitness products (Fig. 13d, wrist bands, head band, knee and hand straps), fitness clubs, health books (58:32-41), health and fitness magazines (58:32-41), health insurance, wellness insurance, disability insurance, dental insurance, pet insurance, allergy and asthma products, diabetes products addiction treatment and rehabilitation treatment centers, athletic clothing and gear, therapeutic (58:14-17) and chiropractic products, pet care and medication products, and exercise equipment.

Claim 30: Paasche discloses the method of claim 1, wherein the services are banking services (68:32-38; the Examiner understands providing forms for bank drafts and deposits as one of the services banks provide).

Claim 32: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services from a medical information website (58:32-41).

Claim 39: Paasche discloses the method of claim 1, wherein the service provider system includes a **browsable** catalog of products and services (2:63-3:16).

Claim 40: Paasche discloses the method of claim 1, further comprising:  
assigning to a member a debit or credit card **for** selected members **for** point generating purchases through the service provider system (49:38-41, and 68:43-48; the Examiner notes that the claim phrasing does not require the inventive system to assign the card, it just must be assigned by some entity).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

- 8. Claims 7, 34-36, 41, and 88 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche.**

Claim 7: Paasche discloses the method of claim 1, wherein when the member purchasing the product is part of the second group of members (32:27-31 and 10:30-37), but does not explicitly disclose then the request message includes a member identifier of at least one member of the first group of members as well as the member identifier of the member. Paasche, however, teaches tracking a member's line of sponsorship (31:58-32:11), and assigning point values and business volume based on the member's personal group and those introduced into the business (31:36-45 and 33:41-57).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the tracking of membership, sponsorship, introductions and reward points of Paasche in order to disclose the referring member's identifier within a purchase request message.

The rationale for combining in this manner is to improve efficiency and effectiveness in the tracking of data for the multilevel marketing system.

Claim 34: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are preventative car[e] and/wellness services. The

Examiner understands, however, that preventative care and wellness services are among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide preventative care and wellness services.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 35: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are a nurse hotline. The Examiner understands, however, that a nurse hotline is among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide access to, or listing of, a nurse hotline.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 36: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are health network charitable foundation services. The Examiner understands, however, that health network charitable foundation services are among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide health network charitable foundation services.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 41: Paasche discloses the method of claim 40, but does not explicitly disclose wherein the service provider system receives a portion of a debit or credit card fee associated with using the debit or credit card for point generating purchases made through the service provider system. Paasche, however, teaches on-line application for a credit card through the invention (68:43-48), and the Examiner



notes understanding that credit cards may include fees that flow to the merchant, especially if the merchant is the card issuer, as Paasche indicates as permissible.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the credit card application of Paasche in order to have the provider system receive a portion of debit or credit card fees.

The rationale for combining in this manner is that the system, as with any business, would desire extra profitability in the form of extra fees whenever permissible and acceptable.

Claim 88: Paasche discloses the method of claim 1, wherein the amount of tax free award points awarded to a member of a related member group is insufficient tax free award points to required filling of a 1099 form with the IRS. The Examiner understands, however, that the amount of points awarded to members in (ii) or (iii) is a design choice with a limited number of potential options: the system can have a mandated pre-set number of points to be allotted, or the system can have a variable calculation of allotted points where the calculation is based on factors, or the system can allow the member to elect the number of points allotted. The Examiner further understands that limiting the points award, so as to not require the filing of a 1099 form with the IRS, allows the transfer of points without incurring taxation losses and tracking costs.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the transferring of points of Paasche in order to have a limited number of points awarded to other members, so as to not require the filing of a 1099 form with the IRS.

The rationale for combining in this manner is to encourage system activity and loyalty, to encourage others to join within a personal group by allowing a transfer of points to them, and to avoid the tracking costs and losses associated with taxation.

**9. Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche in view of Kanter (U.S. Patent No. 5,537,314).**

Claim 25: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the tax free award points have a life of no more than 24 months. Kanter, however, teaches a limitation on point awards in the form of a maximum value (24:33-39). The Examiner understands that limitations on points awards, such as maximum value, life span, and transferability, encourages constant activity of users so that they do not become disinterested in using the system.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the maximum point allotment of Kanter in order to limit the lifetime of the points awarded to 24 months.

The rationale for combining in this manner is that both Paasche and Kanter are in the same area - multilevel marketing and rewards systems - and limiting the life span of points awarded prevents over-accumulation and encourages a frequent and constant flow of orders and activity for the system.

- 10. Claims 14, 18, 31, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche in view of Tooke III (U.S. Patent Application Publication No. 2002/0035529, hereafter Tooke).**

Claim 14: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the health care plan is a health savings account or a similarly approved account. Tooke, however, teaches an online health care resources management system including inserting taxable and nontaxable resources into a health savings account (paragraph 0003, citation hereafter by number only), and also that additional resources can be added to the health savings account by the consumer or by others (0005).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts and adding of resources of Tooke in order to apply awarded points to a health savings account or similarly approved account.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining

enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 18: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the health care plan is a health savings security account or a similarly approved account. Tooke, however, teaches an online health care resources management system including inserting taxable and nontaxable resources into a health savings account (0003), and also that additional resources can be added to the health savings account by the consumer or by others (0005).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts and adding of resources of Tooke in order to apply awarded points to a health savings security account or similarly approved account.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 31: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are insurance services. Tooke, however, teaches an

online health care resources management system including a health care intermediary (0019) which may in turn include an insurance provider (0036).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health care management system including an insurance provider of Tooke in order to provide insurance services.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 33: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are physician and hospital rating guides. Tooke, however, teaches providing accurate and timely information to the consumer, including feedback scores for health care providers (0056).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the feedback scores of Tooke in order to provide a guide of physician and hospital ratings.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining

enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

- 11. Claims 70-75, and 78-83 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche in view of Tooke in further view of Annas (Annas, George J., *HIPAA Regulations - A New Era of Medical-Record Privacy?*, The New England Journal of Medicine, 348:1486-1490, April 10, 2003).**

Claim 70: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose wherein the service provider system includes logic that provides compliance with the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996. Annas, however teaches that any electronically conducted medical business, including billing, is subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (pgs 1486-87, second paragraph under Principles of Privacy); the Examiner understands this to be applicable to Tooke and the instant invention.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide logic to comply with the Privacy Rule of HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 71: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the logic limits access to patient health information in compliance with the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996. Annas, however teaches that compliance with HIPAA is required for medical information and billing (pgs 1486-87, second paragraph under Principles of Privacy).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide limiting logic to comply with the Privacy Rule of HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 72: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the service provider system provides an authorization for disclosure of health information of a member that uses the award points for a the

health care product or service is selected from a health savings account, a health savings security account or a similarly approved account. Annas, however teaches HIPAA authorization being required to release health information (pg 1488, under Authorization to Disclose Health Information).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide an authorization to disclose health information under HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 73: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the service provider system transmits protected health information (PHI) HIPPA Privacy Rule in compliance with the HIPPA Privacy Rule. Annas, however teaches that transmitting individually identifiable information is subject to HIPAA (pgs 1487, third paragraph under Principles of Privacy).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations



described in Annas in order to comply with the Privacy Rule of HIPAA in transmitting PHI.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 74: Paasche in view of Tooke discloses the method of claim 72, but does not explicitly disclose wherein the authorization contains a description of the protected health information PHI. Annas, however teaches that a disclosure must contain a description of the information to be used or disclosed in order to be valid under HIPAA (pg 1488, first paragraph under Authorization to Disclose Health Information).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a description of the PHI.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 75: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the authorization is written. Annas, however teaches

that a copy of a valid HIPAA authorization form must be provided to the patient (pg 1488, second paragraph under Authorization to Disclose Health Information); the Examiner understands this to include a written copy.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a written authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 78: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the authorization contains a statement of the member's right to revoke the authorization. Annas, however teaches that a disclosure must contain a description of the right to revoke to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health Information).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a description of the right to revoke the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 79: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the written includes a signature of the member and the date the authorization was signed. Annas, however teaches that a disclosure must contain a signature and date to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health Information).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include a signature and date in the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 80: Paasche in view of Tooke discloses the method of claim 79, but does not explicitly disclose wherein the signature is an electronic signature. Annas, however teaches that a disclosure must contain a signature and date to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health

Information); the Examiner notes that it is old and well known that electronic signatures are one form of generally acceptable signatures.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include electronic signature in the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 81: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose wherein the service provider system includes a HIPAA Compliance Committee. Annas, however teaches that HIPAA consultants have grown in number and the regulations are complex (pg 1486, third paragraph of the article), that enforcement is critical (pg 1490, under Enforcement), and that implementation is projected to be costly and inconsistent (pg 1490, under Conclusions).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include a HIPAA Compliance Committee.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 82: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose further comprising: advising members of rights to privacy under HIPPA Privacy Rule. Annas, however teaches providing all patients with a privacy notice under HIPAA (pg 1487, first paragraph under The Privacy Notice).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to advise members of privacy rights.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 83: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose further comprising: preparing an NPP in compliance with the HIPPA Privacy Rule. Annas, however teaches providing all patients with a written "notice of privacy practices" under HIPAA (pg 1487, first paragraph under The Privacy Notice).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a notice of privacy practices.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

12. A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, it meets the claim. See *e.g. In re Collier*, 158 USPQ 266, 267 (CCPA 1968) (where the court interpreted the claimed phrase "a connector member for engaging shield means" and held that the shield means was not a positive element of the claim since "[t]here is no positive inclusion of 'shield means' in what is apparently intended to be a claim to structure consisting of a combination of elements" and where the court interpreted the claimed phrase "said ferrule-forming member being crimpable onto said shield means" and held that the shield means was not a positive element of the claim since "[t]here is no positive inclusion of 'shield means' in what is apparently intended to be a claim to structure consisting of a combination of elements.... "[t]he ferrule or connector member is crimpable but not required, structurally, to be crimped .... These cannot

be regarded as structural limitations and therefore not as positive limitations in a claim directed to structure. They cannot therefore be relied on to distinguish from the prior art.”)

The Examiner has analyzed the claim language and phrasing as indicated by the **bold** sections or words above, and determined that the phrasing following the **bolded** word(s) is not required due to the terminology being optional or intended use or expected results, in conformity with MPEP § 2111.04.

13. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed nonfunctional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401,404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; *see also Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim,

then the descriptive material is nonfunctional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts, for example, that the data being "tax free" and "the tax free award points requiring characteristics of (a) being transferable by the member to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible to at least one of cash and a cash equivalent and (c) having a limited life" adds little, if anything, to the claimed acts or steps and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed". Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the data being "tax free" and "the tax free award points requiring characteristics of (a) being transferable by the member to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible to at least one of cash and a cash equivalent and (c) having a limited life" does not functionally relate to the substrate and thus does not change the steps of the method as claimed.

14. Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the



specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

### ***Response to Arguments***

15. Applicant's arguments filed March 16, 2009 have been fully considered but they are not persuasive.

Applicant first argues that Paasche fails to disclose the multilevel marketing plan and awards structure as claimed; however, the Examiner notes that, per the recitation given in the art rejections above, the member designated an IBO earns awards based on its own purchases, and the purchases of a personal group that includes members (designated Member Plus, and Member) referred by the IBO (especially at 31:36-40, 31:46-32:11, and Fig. 3). Therefore the Examiner is not persuaded by Applicant's argument.

Applicant next argues that Paasche fails to disclose the points having the status of being transferable to an exempt organization, not convertible to cash or cash equivalent, and have a limited life. The Examiner notes that the status of the points, as amended to the claim, is nonfunctional descriptive material since the point status

does not alter or change the method being performed. Please see the above note regarding nonfunctional descriptive material for further information.

***Conclusion***

16. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

17. Any inquiry concerning this communication or earlier communications from the examiner should be directed to **SCOTT D. GARTLAND** whose telephone number is (571)270-5501. The examiner can normally be reached on 7:30-6:00 EST Monday to Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/S. D. G./  
Examiner, Art Unit 3622

/J. V./  
Examiner, Art Unit 3622

/Eric W. Stamber/  
Supervisory Patent Examiner, Art Unit 3622